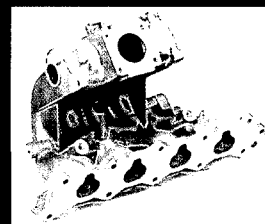
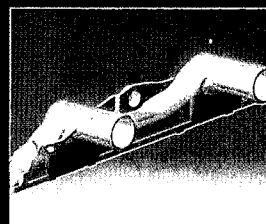
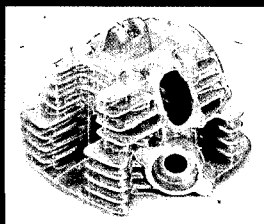
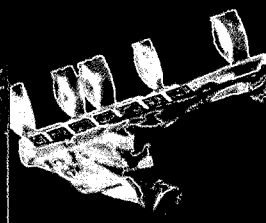
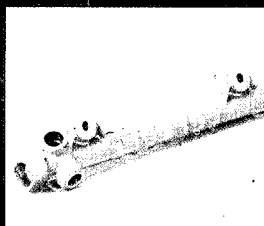


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19th ANNUAL REPORT 2008-2009

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ENKEI

CASTALLOY LTD.

ISO/TS 16949 Company

Casting the future with dedication....

ENKEI CASTALLOY LIMITED**BOARD OF DIRECTORS**

Mr. S. Rai	Managing Director
Mr. Junichi Suzuki	
Mr. Tetsuro Masui	
Mr. Asis Ray	
Mr. A. D. Harollikar	
Mr. S. C. Khanna	
Mr. Vinay Panjabi	

BANKERS :

Bank of Maharashtra	IFB Branch, Pune
ING Vysya Bank Ltd.	F. C. Road, Pune
Mizuho Corporate Bank Ltd.	Mumbai
Kotak Mahindra Bank Ltd.	Pune
State Bank of India	IFB Branch Pune
Export Import Bank of India,	Shankarsheth Road, Pune
Axis Bank Ltd.	J. M. Road, Pune
Bank of Tokyo Mitsubishi - UFJ Ltd.	Mumbai

AUDITORS :

M/s Asit Mehta & Associates

REGISTERED OFFICE & WORKS :**a) Regd. Office & Works :**

Gat No.1426,
Village Shikrapur, Taluka Shirur,
Dist. Pune - 412 208.Maharashtra
Tel: (02137) 677100
Fax : (02137) 677130
E-mail : ecl@enkeicastalloy.co.in

b) Works

57-58Km Stone, Delhi Jaipur NH-8,
Industrial Area, Village Binola, Haryana

SHARE TRANSFER AGENTS :**MONDKAR COMPUTERS PVT LTD**

21, Shakil Niwas,
Mahakali Caves Road,
Andheri, (E) Mumbai.
Tel. : 022-28257641 / 28369704
E-mail : mcplrt@bom7.vsnl.net.in

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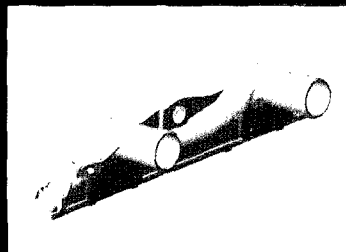
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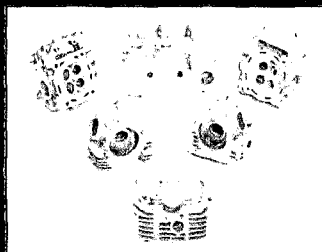


PRODUCTS PROFILE

AIR TANK



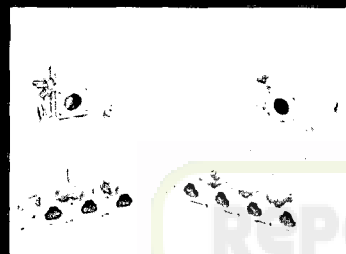
CYLINDER HEADS



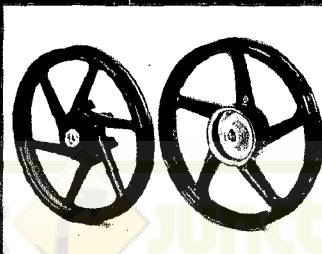
CHARGE AIR COOLER



INTAKE MANIFOLDS



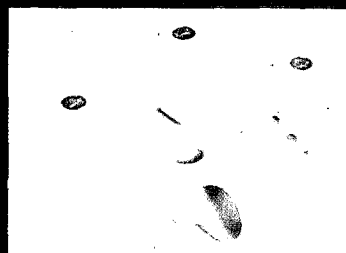
ALLOY WHEELS 2W



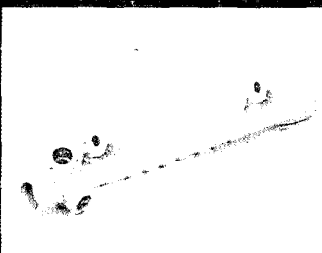
ALLOY WHEELS 4W



VALVE HOUSING



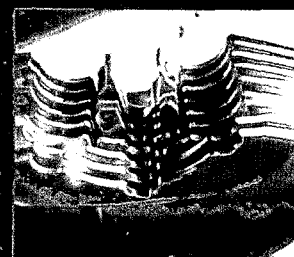
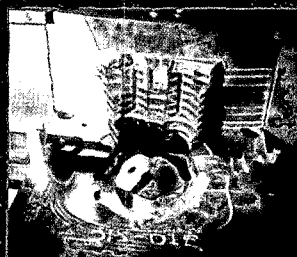
STEERING HOUSING



ENGINE SUPPORT BRACKETS



DIES



OUR MANAGEMENT TEAM



Bottom Row (L to R) : Mr. Nitin Shendage, Mr. R. K. Mehra, Mr. Omprakash Agnihotri, Mr. Rajeev Sikand - Group CEO, Mr. Vikas Tyagi, Mr. S. Narasimhan, Mr. Vishwas Phadnis, Mr. Sunil Orpe

Top Row (L to R) : Mr. Ramesh Sanglikar, Mr. Shrikant Dole, Mr. Vimal Gupta, Mr. S. Kamath, Mr. M. Bagali, Mr. S. V. Babu, Mr. Ratish Choulkar

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ENKEI
CASTALLOY LTD

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NOTICE, NOTES

NOTICE is hereby given that the 19th Annual General Meeting of the members of Enkei Castalloy Limited will be held at 12.30 p.m. on Wednesday, 23rd September, 2009 at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2009 and Profit & Loss Account for the year ended on 31st March, 2009 together with reports of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. A. D. Harolikar, who retires by rotation, but being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Junichi Suzuki, who retires by rotation, but being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To pass with or without modification(s), the following resolution as a Special Resolution –

"RESOLVED THAT in pursuance to the provisions of Section 269, 309 and 310 read with Section 198 and Schedule XII of the Companies Act, 1956 consent of the Company be and is hereby accorded to the reappointment of and remuneration payable to Mr. S. Rai, as Managing Director for a period of five years with effect from 01/11/2009 as indicated below:

1. Salary: Rs. 1,10,000/- per month and increase of Rs. 10,000/- every year.
2. Commission: 0.50 % of the profit before tax of the Company in every financial year in addition to salary, perquisites and allowances payable.
3. Perquisites & Allowances :
 - a) In addition to the salary and commission payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance and house maintenance allowance, in lieu thereof; together with reimbursement, medical/accident insurance, leave travel concession for himself and his family, club fees, and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. All such perquisites and allowances will be subject to a maximum of an amount equal to the annual salary.
 - b) For the purpose of calculating the above ceiling, perquisites and allowance shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling.

 - c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - d) One month's leave with full pay and allowance, but not more than one month's leave for every eleven months of service. However, leave accumulated but not availed of will be allowed to be encashed.

NOTES CONTD.

- e) Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time.
- f) Such other benefits as may be provided by the Company to other senior officers from time to time.
- g) Managing Director shall be entitled to reimbursement of entertainment and all other expenses incurred in course of the Company's business.
- h) Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

"RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Companies act, 1956

On Behalf of the Board of Directors

**Sd/
(S. Rai)**
Managing Director



Place: Shikrapur
Date: 30th July, 2009

Regd. Office : Gat No 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune, Maharashtra

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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY OR PROX(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Share Transfer Register and Register of Members will be kept closed from 18th September, 2009 to 23rd September, 2009 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government under Section 205(A) and 205(D) of the Companies Act, 1956.

Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid :

Date of Declaration of dividend	Divided for the year	Due date of transfer to the Government
30th September, 2002	2001-2002	28th October, 2009
29th September, 2003	2002-2003	27th October, 2010
29th September, 2004	2003-2004	27th October, 2011
30th September, 2005	2004-2005	28th October, 2012
30th September, 2006	2005-2006	28th October, 2013
29th September, 2007	2006-2007	27th October, 2014
27th September, 2008	2007-2008	25th October, 2015

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.

5. As required under Clause 49 of the Listing Agreement, profile of Directors being re-appointed is mentioned in Corporate Governance Report.
6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.

On Behalf of the Board of Directors

Sd/
(S. Rai)

Managing Director

Place: Shikrapur
Date: 30th July, 2009

Regd. Office : Gat No 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune, Maharashtra



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NOTES CONTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The term of Mr. S. Rai, Managing Director of the Company expired on 30th October, 2009. The Board of Directors in its meeting held on 30th July 2009 decided to reappoint Mr. S. Rai as Managing Director, for a further period of five years with effect from 01/10/2009 on such terms and conditions as approved by the Members of the Company.

Mr. S. Rai holds a degree in Economics from the University of Kent U.K. and is a Chartered Accountant from England and Wales. He is associated with the Company as one of the promoters of the Company. Under his leadership, the Company has made a remarkable progress both in sales and profitability.

Re-appointment of Mr. S. Rai as Managing Director for a further period of five years would be in the interest of the Company and hence, the Board of Directors recommended the resolution. The Remuneration Committee has also recommended the re-appointment of Mr. S. Rai as Managing Director on the terms enumerated in the notice convening the meeting.

Mr. S. Rai may be deemed to be interested in the proposed resolution to the extent he may draw remuneration as the Managing Director. None of the other Directors is interested or in any way concerned in the resolution.

The letter proposed to be issued to Mr. S. Rai on his re-appointment is available for inspection during the normal course of business except on Sunday and public holidays.

For & on behalf of the Board of Directors

Sd/
(S. Rai)
Managing Director

Place: Shikrapur

Date: July 30, 2009

Regd. Office : Gat No 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune, Maharashtra

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DIRECTORS' REPORT

To,
The Members,

Your Directors hereby present their Nineteenth Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

(Rs. In Millions)

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Gross Sales	3418.59	3761.37
Net Sales	3006.96	3240.53
Profit before Depreciation, Interest & Tax	312.62	348.18
Less: Depreciation & Prior Period adjustments	269.25	154.74
Less: Interest	167.07	129.00
Profit before Tax	(123.70)	64.44
Provision for Tax	(8.58)	0.96
Profit after Tax	(115.12)	63.48
Add: Balance brought forward	324.62	271.18
Net Profit Available for appropriation	209.50	334.66

APPROPRIATIONS

General Reserves	-	2.00
Proposed Dividend	-	6.88
Corporate Dividend Tax	-	1.16
Balance Carried Forward	209.50	324.62

DIVIDEND

Due to loss for the year, your Directors have not recommended dividend.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Development :

The Company is engaged in manufacturing of aluminium alloy castings and wheels used in automobile industry. The casting industry can be divided into two segments – organized and unorganized sectors. The organized sector caters to the original equipment manufacturers (OEM) & grown largely in response to the demands of the automotive industry. The unorganized sector mainly caters to the replacement market and serves to the very low end market.

In line with the Company's philosophy of transparency, the management has identified two separate divisions viz. Foundry Division and Wheel Division. Foundry Division mainly caters to auto components like cylinder heads, intake manifolds, CAC Tanks, Brackets etc. whereas Wheel Division mainly comprises of wheels for two wheelers and four wheelers for passenger cars and LCVs.

During the year under review, the profitability of the Company has been adversely affected due to slow down in domestic & overseas market. The stimulus packages brought out from time to time by the Central Government and the Reserve Bank of India have shown positive impact on industries, yet, it is still too early to foresee the extent of the beneficial effects of these measures. It seems that the industry may take some time

DIRECTORS' REPORT CONTD.

to reap the benefits substantially. Despite the infusion of liquidity into the economy from time to time, the banks have been slow to reduce interest rates. However, with the drop in inflation and crude oil prices, it is expected that the Indian economy should recover its momentum in due course and more favorable trends are expected from later this year.

(b) Review of Operations:

Due to sluggish demand for auto sector the sales and profitability was severely affected. Capital expenditure has pushed up the interest cost substantially due to higher borrowings. The provision for depreciation was also almost double than the previous year. The total sales was marginally lower at Rs.3006.96 million as against Rs.3240.53 million. The Company incurred a loss of Rs.123.70 million as against pre-tax profit of Rs.64.44 million in the last year.

(c) Opportunities :

The demand for the castings manufactured by the Company is mainly derived from the automotive industry & your company is one of a biggest aluminium casting supplier in India. As the automobile industry is slowly & gradually shifting towards Asian low cost countries. This has attributed to India as one of the fastest growing passenger car markets in the world and it is the second largest two-wheeler manufacturer globally.

Our mission for better technologies is currently directed towards making lighter castings with higher yields and lesser energy consumptions. Aluminum castings are an intrinsic part of the vehicle, we believe that our contributions in making lighter and greener castings will help the industry & society in meeting the stringent and ambitious environmental targets.

The Indian domestic market will continue to be dominated by small cars. Replacement of commercial vehicles will boom as older vehicles get scrapped and logistics hubs emerge. As per KPMG report, vehicle penetration in India is quite small, even in comparison to other Asian countries. In passenger vehicles, for example, India has 8 vehicles per 1000 people, which is lower than countries like China and Thailand. Passenger car production in India is projected to cross three million units in 2014-15 with CAGR of around 10%. In two wheelers also, the penetration level in India at 51 per 1000 is low compared to Indonesia, Malaysia and Thailand. Motorcycle sales will perform positively & are projected to exceed 10 million units by 2012-13. This gap indicates the potential for growth in aluminium casting industry over a long term. Your company is also introducing new customer base in Auto segment like M&M, Piaggio, Valeo & in Agriculture segment like John Deere.

The Indian economy has shown growth of over 8% over the last few years and with stimulus provided by the Central Government and RBI, this growth will pickup the momentum. Your Company is fully geared to leverage this opportunity.

(d) Future Markets:

In the beginning of the current financial year the revival of the demand is experienced. Directors are optimist that considering the revival in demand in the first quarter, the economy will take U turn by the end of the second quarter. Though U.S.A. and other developed countries may continue to have the economic melt-down, India being a vast country with huge domestic demand that stimulates incentives provided by the Central Bank and the Government, will sustain it's economic growth and the demand will pick up in near future.

The casting industry supplies castings also for Non Auto Segment like Agriculture, Power, Locomotives, Industrial equipments & machines supplier like compressor & machine tools manufacturers & company is exploring these opportunities to avoid seasonal effect in auto industry demands. The company is also